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PP RUEHAST  
DE RUEHC #0149/01 1351940  
ZNR UUUUU ZZH  
P R 151926Z MAY 09  
FM SECSTATE WASHDC  
TO RUEHAST/USOFFICE ALMATY PRIORITY 2778  
RUEHBY/AMEMBASSY CANBERRA PRIORITY 4296  
INFO RUEHRL/AMEMBASSY BERLIN 1213  
RUEAIIA/CIA WASHINGTON DC 7319  
RHMCSUU/FBI WASHINGTON DC 4181  
RUCPDOG/USDOC WASHINGTON DC 5132  
RUEKJCS/SECDEF WASHINGTON DC  
RUEPINS/HQ BICE INTEL WASHINGTON DC

UNCLAS SECTION 01 OF 03 STATE 050149

SIPDIS  
CANBERRA FOR DAVID ATKINSON AND ALMATY FOR JOHN P. COONEY

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [AS](#) [KZ](#)  
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK  
ON APPLICATION 050169554

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests the assistance of Embassy Canberra and Embassy Almaty in conducting a pre-license check on application 050169554 for the export of gyroscopes to be incorporated into Target INS Systems, to Australia. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

¶3. Reason for request: Unusual routing and unfamiliar end-user, DHS Oil International (DHS) and unfamiliar foreign consignee, DDS Central Asia Ltd (DDS). The companies have not appeared on previous licenses nor have the bona fides of the companies been verified by a Blue Lantern check.

¶4. ACTION CANBERRA: Embassy is requested to make inquiries with appropriate officials to establish the bona fides of unfamiliar foreign end-user DHS and confirm that the gyroscopes will be used for the purpose stated on the license. PM/DTCC also requests that post conducts a site visit to DHS in order to provide Department with an assessment of its business operations and on-site security. Finally, post is asked to assess whether the company appears to be a reliable recipient of United States Munitions List Items (USML) items. If a site visit is not possible, please inform the PM/DTCC officer.

The following questions are provided as suggested guidance:

--What role will DDS play in the proposed transaction?

--Does DHS have secure facilities and proper accounting and security procedures for handling sensitive USML items?

--Will DHS retain positive control over the gyroscopes at all times?

--When was the company established and who are its principals?

--What is the nature of its business -- Have you previously purchased USML items?

--What type of organizations are among its typical customers and where are the customers located?

--Does the company understand the restrictions on USML items, especially the prohibition against unauthorized re-transfer and re-export?

15. ACTION ALMATY: Embassy is requested to make inquiries with appropriate officials to establish the bona fides of unfamiliar foreign consignee DDS and confirm that the gyroscopes will be used for the purpose stated on the license. PM/DTCC also requests that post conducts a site visit to DDS in order to provide Department with an assessment of its business operations and on-site security. Finally, post is asked to assess whether the company appears to be a reliable recipient of USML items. If a site visit is not possible, please inform the PM/DTCC officer.

The following questions are provided as suggested guidance:

--Does the company have supporting documentation for this proposed transaction?

--What role will DDS play in the proposed transaction?

--Does the company have secure facilities and proper accounting and security procedures for handling sensitive USML items?

--When was the company established and who are its principals?

--What is the nature of its business?

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--What type of organizations are among its typical customers and where are the customers located?

--Does the company understand the restrictions on United States Munitions List (USML) items, especially the prohibition against unauthorized re-transfer and re-export?

END ACTION

16. Details of license application:

DTC Case: 050169554

QUANTITY/COMMODITY:

18 G2000 Gyroscopes Part No. 779980-0063

License Value: USD 93,600.00

SELLER:

Systems Engineering GES. Inc.  
14260 Garden Road Suite 18A  
Poway, CA 92064  
POC is Gerard Hohner, Tel. 805-427-5857

FOREIGN CONSIGNEE:

System Etwicklungs Geselleschaft mbH Division of Imdex Ltd  
Bahnhofstrasse 6  
D-79359 Riegel  
Germany  
POC is S. Toghil, Tel. 07642 / 90 24 0

DHS Oil International Pty Ltd C/O DDS Central Asia Ltd  
Zheltoksan Str., 26 of 33 Office 104  
Shymkent  
Kazakhstan  
No POC provided

FOREIGN INTERMEDIATE CONSIGNEE

GEIS-SDV  
Offnadingerstrasse 2  
79238 Ehrenkirchen-Kirchhofen  
Germany

No POC provided

Glabalink Transportation & Logistics Worldwide LLP  
52 Kabanbay Batyr Street  
Almaty 480100  
Kazakhstan  
No POC provided

SDV (Australia) Pty Ltd  
61 Dowd Street  
Welshpool, WA 6106  
Australia  
No POC provided

FOREIGN END-USER:

DHS Oil International Pty Ltd  
P.O. 1210 Unit 1/7 Lloyd St.  
Midland, Western Australia 6056  
Australia  
POC is Managing Director, Michael Ayris, Tel. 61 (0) 8 9250  
1827

PURPOSE:

DHS Oil International (Australia) has purchased (9) Target INS Systems, requiring (18) G2000 gyroscopes. For these purchased systems, DHS Oil will first perform bore hole services in Kazakhstan, under contract with DDS Central Asia Ltd. In servicing this contract, DHS Oil International Pty Ltd provides the experienced manpower to operate the Target INS Systems, and always retains control and possession of each survey tool. Upon overall contract completion all Target INS tools will be sent to the final end-user, DHS Oil International in Australia.

17. Submitted in support of the license application were the following documents (PM/DTCC can fax documentation to post

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upon request):

--Purchase order No. 2009-133 submitted by System Etwicklungs Gesellschaft mbH, signed by S. Toghil on 28 April 2009

--End User Statement submitted by DHS Oil International Pty Ltd, signed by Managing Director, Michael Ayris on 10 April 2009

18. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Tim Mazzearelli, Phone: 202-663-3867; Email: MazzearelliTP@state.gov; SIPRNET: MazzearelliTP@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file in the Bunche Library's E-Book Collection on the DOS Intranet: <http://buncheelectroniclibrary.state.gov/ebooks/BlueLanternGuidebook2006%20final.pdf>

19. Department is grateful for post's assistance in this matter.  
CLINTON